



# 2022 Testimony

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## *Finance, Revenue and Bonding Committee*

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The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members representing 168 towns and cities.

### **S.B. 21 An Act Concerning A State-Wide Property Tax on Certain Residential Real Property**

#### **CCM Opposes SB 21.**

SB 21 would mandate the assessment of a 2 mill statewide property tax on residential real property valued at more than \$1.2 million. The current property tax system, while regressive and onerous, is the sole source of local revenue and efforts should be focused on reducing local property taxes, not adding to them. Once the state opens the door to collecting revenue via the property tax what would prohibit the proposed 2 mill tax from going to 3 mills or higher and lowering the threshold on which it is applied?

Municipalities have seen far too often how fiscal pressure has negatively impacted good intentions i.e., the reimbursement of PILOT at statutory levels, the reimbursement for the exemption of Manufacturing, Machinery and Equipment, and funding for Enterprise Zones tax abatements to name a few. Let's be honest, we have walked down the road of good intentions and broken promises too often.

Make no mistake, we need and support comprehensive reforms to the regressive property system. The property tax accounts for 40% of all taxes collected in the State and is continually undermined by the adoption of legislatively mandated property tax exemptions (currently 99). Overreliance on the property tax is especially detrimental to our urban communities where, in some cases, almost 50% of their taxable property is exempt. CCM continues to advocate for local revenue diversification in order to reduce municipal dependency on this regressive property tax system. It is clear that towns and cities cannot rely solely on property taxes and inconsistent state aid to fund essential services and often mandated programs. Adding 2 mills to high end homes is not the answer.

While CCM continues to advocate for the comprehensive reforms, these solutions must be holistic and may contain proposals that fall outside ones ideological comfort zone. These solutions would include:

- Diversifying local revenue;
- Providing needed cost containment language; and
- Encouraging savings through increased regional collaboration.

Current State policies have created a scenario that have limited local governments to dependence on regressive property taxes and insufficient and unpredictable state aid to fund schools, provide for public safety and maintain vital infrastructure.

CCM believes that the implementation of local revenue diversification, combined with the aforementioned critical cost control components, will provide the foundation for a sustainable and more equitable municipal revenue base. It will provide needed relief for towns and cities that provide a disproportionate share of social services and host a large percentage of state mandated property tax exempt properties.



If you have any questions, please contact Randy Collins, Advocacy Manager of CCM at [rcollins@ccm-ct.org](mailto:rcollins@ccm-ct.org) or (860) 707-6446.